Growth rate of consumer goods

2077. SHRI PREM CHAND GUPTA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that consumer goods growth rate for April to November, 1998 was 2.1 percent compared to 4.4 percent during the previous year; and

(b) what steps Government have taken to check the slide?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) As per the Index of Industrial Production (HP) the growth rate of Consumer goods sector during April—November, 1998 was 24% as compared to 4.4% during the corresponding period of the last year. As per the latest information, during April-December, 1998 the growth rate of Consumer goods sector is 2.8% as against 4.6% during April-December 1997.

(b) The Government has announced various measures for correcting sectoral policies and to induce faster growth.

The steps taken to improve industrial growth are:—

1. Special package announced for revival of growth in exports.
2. Repeal of ULCRA* and incentive to house ownership.
3. The Government has allowed buy back of shares and: intercorporate loans to boost investment and revive the capital market.

In the Budget for 1999-2000, various measures have been announced for revival of industry to accelerate industrial growth. These include:—

(i) New Competition Laws to replace Monopolies and Restrictive Trade Practices Act.

(ii) The list of automatic approval for FDI will be expanded to cover important industrial and service sectors.

(iiii) A Foreign Investment Implementation Authority within the Ministry of Industry has been announced for quicker investment inflows and speedier implementation of projects.

(iv) Automatic approval for investment upto 100% by NRIs, OCBs for all items except those which attract notified equity cap/ compulsory licensing/public sector reservation under Industrial Policy/ reservation for small scale sector.

(v) A major overhaul of excise duty rates from present 11 rates reduced to only 3.

(vii) Restoration of 100% MODVAT credit.

(vii) 7 major *ad valorem* rates of custom duty reduced to 5 basic rates.

(viii) Massive thrust for road construction financed by rupee one per litre surcharge on diesel.

(ix) Credit Insurance Scheme to be launched for SSI units.

(x) Fiscal package consisting of custom duty reduction announced for Information Technology sector.

(xi) R&D activity provided further income tax concessions.

(xii) A comprehensive package for the housing sector has been announced. A boost to housing will increase the demand for cement, steel and other construction material.

After the Budget, the Reserve Bank of India has cut Bank rate, slashed Repo rate and brought down CRR to reduce the interest cost of funds.

Prime Minister's package for the North East

2078. SHRI DRUPAD BORGOHAIN: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware of a proposal envisaged in the Prime Minis-